

IRELL & MANELLA LLP
David I. Gindler (117824) (dgindler@irell.com)
Andrei Iancu (184973) (aiancu@irell.com)
Amir Naini (226627) (anaini@irell.com)
Lina F. Somait (263876) (lsomait@irell.com)
1800 Avenue of the Stars, Suite 900
Los Angeles, California 90067-4276
Telephone: (310) 277-1010
Facsimile: (310) 203-7199

Attorneys for Plaintiff and Counterclaim Defendant
Ariosa Diagnostics, Inc.

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

ARIOSA DIAGNOSTICS, INC.,) Case No. 3:11-cv-06391-SI
)
 Plaintiff,) **ARIOSA DIAGNOSTICS, INC.'S**
) **OPPOSITION TO SEQUENOM, INC.'S**
 vs.) **MOTION TO CLARIFY OR,**
) **ALTERNATIVELY, MODIFY**
) **PROTECTIVE ORDER**
SEQUENOM, INC.,)
)
 Defendant.)
)
)
) Date of Hearing: June 14, 2013
) Time of Hearing: 9:00 a.m.
) Location: Courtroom 10
) 19th Floor
SEQUENOM, INC.,)
)
)
 Counterclaim Plaintiff,) Judge: Hon. Susan Illston
)
)
 vs.)
)
)
ARIOSA DIAGNOSTICS, INC.,)
)
)
 Counterclaim Defendant,)
)
)
and)
)
ISIS INNOVATION LIMITED,)
)
)
 Nominal Counterclaim)
)
 Defendant.)

TABLE OF CONTENTS

	<u>Page</u>
I. INTRODUCTION.....	1
II. FACTUAL BACKGROUND	2
III. ARGUMENT	4
A. The Stipulated Protective Order Prohibits Sequenom's Litigation Counsel From Participating In The IPR	4
1. The Leahy-Smith America Invents Act Replaced <i>Inter Partes</i> Reexamination With IPR	5
2. "Prosecution" As Defined In The Prosecution Bar Includes Sequenom's Proposed Involvement In The IPR	7
3. The PTAB Decisions Cited By Sequenom Are Inapposite	13
B. Sequenom Has Not Carried Its Burden For Modifying The Protective Order	15
1. The Nature Of The Protective Order Favors Ariosa	16
2. Ariosa's Decision To Petition For IPR Was Foreseeable	16
3. Ariosa Relied On The Prosecution Bar In Producing Its Confidential Technical Information To Sequenom.....	17
4. Sequenom Has Not Shown Good Cause For Modifying The Protective Order	17
IV. CONCLUSION	20

TABLE OF AUTHORITIES

	<u>Page(s)</u>
Cases	
<i>55 Brake, LLC v. Audi of Am.,</i> 1:CV 08-177-BLW, 2011 WL 2747523 (D. Idaho July 13, 2011)	17, 18
<i>Am. Piledriving Equip., Inc. v. Geoquip, Inc.,</i> 637 F.3d 1324 (Fed. Cir. 2011).....	12
<i>Avago Technologies Fiber IP (Singapore) Pte. Ltd. v. IPtronics, Inc.,</i> C 10-CV-02863 (EJD) (PSG), Docket No. 221 (N.D. Cal. Jan. 2, 2013).....	11
<i>Avaya Inc. v. Network-1 Security Solutions, Inc.,</i> IPR2013-00071, Paper 15 (PTAB Feb. 22, 2013)	13, 14
<i>Bayer A.G. v. Elan Pharm. Research Corp.,</i> 212 F.3d 1241 (Fed. Cir. 2000).....	12
<i>Chicago Mercantile Exch., Inc. v. Tech. Research Group, LLC,</i> 276 F.R.D. 237 (N.D. Ill. 2011)	15, 16
<i>CIAS, Inc. v. Alliance Gaming Corp.,</i> 504 F.3d 1356 (Fed. Cir. 2007).....	12
<i>Edwards Lifesciences AG v. Corevalve, Inc.,</i> No. 08-91-GMS, 2011 WL 10565589 (D. Del. Feb. 23, 2011)	9, 18
<i>FTC v. Exxon Corp.,</i> 636 F.2d 1336 (D.C. Cir. 1980)	13
<i>Garmin International Inc. v. Cuozzo Speed Technologies LLC,</i> IPR2012-00001, Paper 26 (PTAB March 5, 2013).....	6
<i>In re Deutsche Bank Trust Co. Americas,</i> 605 F.3d 1373 (Fed. Cir. 2010).....	passim
<i>Kelora Systems, LLC v. Target Corporation,</i> C 11-02284 CW LB, 2011 WL 6000759 (N.D. Cal. Aug. 29, 2011)	7, 8
<i>Kyles v. J.K. Guardian Sec. Servs.,</i> 97 C 8311, 2006 WL 2349238 (N.D. Ill. Aug. 15, 2006)	15
<i>MasterObjects, Inc. v. Google Inc.,</i> C 11-01054 LB, 2012 WL 2958227 (N.D. Cal. July 19, 2012)	17
<i>Microunity Systems Engineering, Inc. v. Dell, Inc.,</i> No. 2-04-CV-120 (TJW), 2005 WL 2299440 (E.D. Tex. July 18, 2005)	9
<i>Microunity Systems Engineering, Inc. v. Dell, Inc.,</i> No. 2-04-CV-120 (TJW), 2005 WL 6768251 (E.D. Tex. Aug. 17, 2005).....	9
<i>Murata Mfg. Co. v. Bel Fuse, Inc.,</i> 234 F.R.D. 175 (N.D. Ill. 2006)	15

	<u>Page(s)</u>	
1		
2		
3	<i>ScentAir Technologies, Inc. v. Prolitec, Inc.</i> , IPR2013-00179, Paper 9 (PTAB April 16, 2013)..... 14, 15	
4		
5	<i>Xerox Corporation v. Google, Inc.</i> , 270 F.R.D. 182 (D. Del. 2010)..... 17, 18	
6	<u>Statutes</u>	
7	35 U.S.C. § 315	6
8	35 U.S.C. §102	2, 5, 11
9	35 U.S.C. §103	2, 5, 11
10	<u>Rules</u>	
11	37 C.F.R. § 42.100	12
12	37 C.F.R. § 42.104	5
13	37 C.F.R. § 42.108	5
14	37 C.F.R. § 42.121	6
15	Patent L.R. 2-2	4
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		
26		
27		
28		

1 **I. INTRODUCTION**

2 Sequenom, Inc. (“Sequenom”) moves this Court to “clarify” a protective order that does
 3 not require clarification. Individuals who have had access to “OUTSIDE ATTORNEYS’ EYES
 4 ONLY” information are barred from being involved in “directly or indirectly drafting, amending,
 5 advising, or otherwise affecting the *scope or maintenance* of patent claims” before the Patent and
 6 Trademark Office (“PTO”). This is precisely what Sequenom’s litigation counsel asks this Court
 7 to allow them to do. And this is the second time that Sequenom has sought to modify the
 8 protective order to allow its litigation counsel to participate in *inter partes* review (“IPR”) of U.S.
 9 Patent No. 6,258,540 (“the ’540 patent”) on behalf of Isis Innovation Limited (“Isis”). This Court
 10 rejected Sequenom’s first request, filed in a letter brief, that the Court heard at the April 19, 2013
 11 case management conference. Sequenom’s second request likewise should be rejected. The
 12 protective order was agreed to by all parties. Ariosa Diagnostics, Inc. (“Ariosa”) has produced
 13 hundreds of thousands of pages of its most sensitive technical information in reliance on its
 14 provisions. Sequenom is not entitled to change the rules in the middle of the game.

15 Sequenom’s motion, like its letter brief, fails to show good cause to alter the parties’
 16 agreement. In contrast, there is ample evidence that the requested modification of the protective
 17 order would result in severe prejudice to Ariosa. The parties adopted the prosecution bar from this
 18 district’s model protective order, which governs all patent infringement cases in this district unless
 19 a different protective order is entered. The parties agreed that the restrictions placed on their
 20 choice of counsel by the prosecution bar were appropriate given the nature of the case. This
 21 district has endorsed these restrictions. Sequenom’s litigation counsel, who have never before
 22 represented Isis before the PTO, or even in this (or any other) litigation, argue that it is imperative
 23 for this Court to allow them to participate in the IPR on behalf of Isis. Isis, the technology transfer
 24 arm of the University of Oxford, is already represented in the IPR by experienced prosecution
 25 counsel, Sterne, Kessler, Goldstein & Fox (“Sterne Kessler”). Sequenom does not offer any
 26 evidence to suggest that Isis will not be adequately represented by Sterne Kessler absent
 27 participation by Sequenom’s litigation counsel. Indeed, Sequenom has provided no evidence that
 28 *any* harm would result from requiring its litigation counsel to abide by the prosecution bar to

1 which they voluntarily bound themselves.

2 IPR is a new procedure at the PTO for challenging an issued patent under 35 U.S.C.
 3 §§ 102 and 103. IPR is limited to challenges based on patents and printed publications. The patent
 4 owner has the opportunity to amend existing claims and draft new claims during the IPR to
 5 overcome the prior art challenges. Sequenom's litigation counsel seeks to participate substantively
 6 in the IPR, including by drafting responses to validity challenges. This creates an unacceptable
 7 risk of disclosure of Ariosa's confidential information and is expressly prohibited by the agreed-
 8 upon prosecution bar in this case. Sequenom's litigation counsel would inevitably choose ways to
 9 distinguish the prior art at issue in the IPR that preserve Sequenom's litigation options with
 10 respect to Ariosa's accused Harmony Prenatal Test ("Harmony Test"), an outcome that would not
 11 have been possible but for litigation counsel's access to Ariosa's confidential information
 12 regarding the Harmony Test. Moreover, in the unlikely event that the '540 patent survives with no
 13 claim amendments during the IPR, Sequenom's litigation counsel would seek to characterize the
 14 prior art in a way that does not disclaim coverage of Ariosa's Harmony Test. This prohibited use
 15 of Ariosa's most sensitive technical information would be extremely harmful to Ariosa. The
 16 parties agreed to the prosecution bar in this case to guard against such a result.

17 **II. FACTUAL BACKGROUND**

18 On April 12, 2012, after two weeks of negotiation, Ariosa and Sequenom filed a Stipulated
 19 Protective Order ("PO") in this case. (Dkt. 61.) The Court entered the PO on April 13. (Dkt. 62.)
 20 The PO contains a prosecution bar that, *inter alia*, prohibits counsel with access to confidential
 21 information of the opposing party from participating in prosecution "before any foreign or
 22 domestic agency, including the United States Patent and Trademark Office ('the Patent Office')."
 23 (Dkt. 62 at ¶ 10.) The prosecution bar defines "prosecution" to include "directly or indirectly
 24 drafting, amending, advising, or otherwise affecting the scope or maintenance of patent claims (for
 25 example, original prosecution, reissue and reexamination proceedings)." (*Id.*) To date, Ariosa has
 26 produced over four-hundred-thousand pages of confidential information in reliance on the
 27 protections in the PO.

28

1 On September 16, 2012, five months after the PO was entered, IPR, a new post-grant
 2 procedure for challenging the validity of a patent, became available at the PTO. Congress created
 3 IPR to replace *inter partes* reexamination, which was widely criticized as inefficient and
 4 ineffective. (Ex. 4,¹ 77 Fed. Reg. 157 (August 14, 2012) at 48721.) On September 17, 2012, one
 5 day after IPR first became available, Ariosa filed a petition for IPR of the '540 patent to take
 6 advantage of this new, expedited procedure for challenging validity that would simplify this
 7 litigation by eliminating any need for this Court to consider technical issues of anticipation or
 8 obviousness raised by the prior art in the IPR. (Somait Decl. ¶ 2.) Ariosa promptly moved for a
 9 stay after the IPR was instituted in order to minimize the burden on the parties. (Dkt. 166.)
 10 Sequenom opposed Ariosa's motion to stay. (Dkt. 171.) Ariosa's motion is pending and is
 11 scheduled for oral argument on June 14, 2013. A second petition for IPR of the '540 patent was
 12 filed by Ariosa on April 19, 2013. (Somait Decl. ¶ 3.) Ariosa submitted declarations from four
 13 declarants in support of its petitions for IPR. (*Id.* ¶ 4.) None of these four declarants has provided
 14 any testimony in this litigation. (*Id.*)

15 Sequenom's litigation counsel notified Ariosa of their intention to participate in the IPR on
 16 April 4, 2013. (Ex. 2.) Ariosa objected, and informed Sequenom that such participation would
 17 violate the provisions of the prosecution bar. (*Id.*) The parties met and conferred, and one day
 18 later, Sequenom filed a separate statement with this Court requesting "clarification" of the PO
 19 rather than allowing Ariosa a reasonable amount of time to provide its portion of a joint statement
 20 as required by this Court's standing order. (Somait Decl. ¶ 7.) That same day, without bothering to
 21 wait for a ruling from this Court, Sequenom's lead litigation counsel, Michael Malecek, filed an
 22 expedited motion for *pro hac vice* admission in the IPR. (Ex. 3.) At the case management
 23 conference on April 19, 2013, this Court denied Sequenom's request to participate in the IPR.
 24 Undaunted, Sequenom brought this motion.

25

26

27

28

¹ All exhibits referenced as "Ex. __" are attached to the Declaration of Lina F. Somait.

1 **III. ARGUMENT**

2 **A. The Stipulated Protective Order Prohibits Sequenom's Litigation Counsel
3 From Participating In The IPR**

4 The express purpose of the PO is to limit disclosure and prevent use of confidential
5 information revealed during the course of this litigation for purposes other than the current
6 litigation. (Dkt. 62 at 1.) "Courts have recognized, however, that there may be circumstances in
7 which even the most rigorous efforts of the recipient of such information to preserve
8 confidentiality in compliance with the provisions of such a protective order may not prevent
9 inadvertent compromise." *In re Deutsche Bank Trust Co. Americas*, 605 F.3d 1373, 1378 (Fed.
10 Cir. 2010). In patent infringement cases, the Federal Circuit has found that there is a high risk of
11 inadvertent disclosure of confidential information when litigation counsel also represents the same
12 client before the PTO. *Id.* at 1379. To mitigate this risk, protective orders in patent infringement
13 cases often contain a "prosecution bar" that expressly prohibits individuals who have received the
14 accused infringer's confidential information from participating in activities before the PTO.
15 Indeed, the "Patent Local Rule 2-2 Interim Model Protective Order" in this district, which
16 "govern[s] discovery unless the Court enters a different protective order," Patent L.R. 2-2,
17 contains a prosecution bar essentially identical to the prosecution bar in this case.

18 The Federal Circuit has recognized that the danger of inadvertent disclosure arises when
19 prosecution activities involve "competitive decisionmaking." *Deutsche Bank*, 605 F.3d at 1379.
20 The Federal Circuit in *Deutsche Bank* identified the types of prosecution activities that do and do
21 not rise to the level of competitive decisionmaking, and those that pose a closer question.
22 Prosecution activities that do not rise to the level of competitive decisionmaking include reporting
23 office actions, coordinating client meetings, and staffing projects. *Id.* at 1379-80. In contrast,
24 "investigating prior art," "making strategic decisions on the type and scope of patent protection,"
25 and "writing, reviewing, or approving new applications or continuations-in-part of applications"
likely involve competitive decisionmaking and should not be exempted from a prosecution bar. *Id.*
26 at 1380. On the borderline are activities such as junior level attorneys primarily taking instructions
27 from more senior level attorneys but still having the opportunity to shape the content of a patent
28

application. *Id.* at 1380.

The risk of inadvertent disclosure of confidential information is balanced against potential harm to the opposing party from restricting its choice of counsel. *Id.* at 1380. In balancing these interests “the court should consider such things as the extent and duration of counsel’s past history in representing the client before the PTO, the degree of the client’s reliance and dependence on that past history, and the potential difficulty the client might face if forced to rely on other counsel for the pending litigation or engage other counsel to represent it before the PTO.” *Id.* at 1381. In this case, the parties agreed that a prosecution bar was necessary and agreed on the scope of activities that should be included in the bar. Now Sequenom claims that IPR, a procedure that replaced *inter partes* reexamination at the PTO, is not within the scope of the bar. Sequenom is wrong.

1. The Leahy-Smith America Invents Act Replaced *Inter Partes* Reexamination With IPR

An overview of IPR is helpful in understanding why there is no question that it is included in the prosecution bar. The Leahy-Smith America Invents Act replaced *inter partes* reexamination with IPR, which became available on September 16, 2012. Congress designed IPR to overcome the inefficiencies of *inter partes* reexamination. “[B]y providing shorter timelines for *inter partes* review compared with reexamination, it is anticipated that the current high level of duplication between litigation and reexamination will be reduced.” (Ex. 4, 77 Fed. Reg. 157 (August 14, 2012) at 48721.) To institute IPR, the Patent Trial and Appeal Board (“PTAB”) issues an order describing which claims are subject to IPR, which statutory invalidity grounds are at issue, and which pieces of prior art support those statutory invalidity grounds. 37 C.F.R. § 42.108. The IPR is limited to the claims and grounds identified by the PTAB. *Id.* No additional prior art can be raised in the IPR. *Id.* Thus, the scope of review is more narrow than the scope of review during *inter partes* reexamination, which did not place any limits on the third-party challenger’s response to examiner rejections and patent owner responses.

Both *inter partes* reexamination and IPR are limited to §§ 102 and 103 challenges to validity based on patents and printed publications. 37 C.F.R. § 42.104. Both allow the third-party

1 challenger to participate in the proceedings. (Ex. 1, 77 Fed. Reg. 157 (August 14, 2012) at 48765,
 2 48767-68.) Both create estoppel in the PTO and in civil actions. 35 U.S.C. § 315. Both permit the
 3 patent owner to amend claims or propose new ones, so long as they do not broaden the scope of
 4 protection. 37 C.F.R. § 42.121.

5 Sequenom incorrectly states that the PTO “made it clear that Review would emulate
 6 litigation with respect to the availability of discovery.” (Motion at 10:19-20.) Far from it. The
 7 PTAB explained in *Garmin International Inc. v. Cuozzo Speed Technologies LLC*, IPR2012-
 8 00001, Paper 26 (PTAB March 5, 2013) (Ex. 5), that in “*inter partes* review, discovery is limited
 9 as compared to that available in district court litigation. Limited discovery lowers the cost,
 10 minimizes the complexity, and shortens the period required for dispute resolution. There is a one-
 11 year statutory deadline for completion of *inter partes* review, subject to limited exceptions. What
 12 constitutes permissible discovery must be considered with that constraint in mind.” *Id.* at 5-6
 13 (internal citations omitted). Discovery is “focused on what the parties reasonably need to respond
 14 to the grounds raised by an opponent.” (Ex. 1, 77 Fed. Reg. 157 (August 14, 2012) at 48761.) The
 15 PTO has explained that the parties to IPR will be entitled to “routine” discovery. “Routine”
 16 discovery is (1) “any exhibit cited in a paper or testimony,” (2) “cross-examination of the other
 17 sides’ declarants,” and (3) “relevant information that is inconsistent with a position advanced
 18 during the proceeding.” (*Id.*) All other discovery is considered “additional” discovery and is only
 19 available if it is shown to be in the “interests of justice.” (*Id.*) This is a difficult standard to meet.
 20 The PTAB explained that with respect to “additional” discovery, “[a]sking for the other party’s
 21 litigation positions and the underlying basis for those positions is not necessary in the interest of
 22 justice. The Board has established rules for the presentation of arguments and evidence. There is a
 23 proper time and place for each party to make its presentation. A party may not attempt to alter the
 24 Board’s trial procedures under the pretext of discovery.” *Garmin Int’l*, IPR2012-00001 at 6
 25 (Ex. 5).

26 Sequenom indicates that in the IPR it “will take depositions of key witnesses that will also
 27 be deposed in the litigation.” (Motion at 16:6-7.) The parties to IPR generally can only depose the
 28 other side’s declarants. Ariosa has four declarants in the IPRs. (Somait Decl. ¶ 4.) None of these

1 declarants has provided testimony in this litigation (*id.*), and thus Sequenom's statement appears
2 to be baseless. Sequenom suggests in its brief that inventor depositions are a necessary part of IPR
3 proceedings. It is not clear that this is the case here, because Isis has not yet stated whether it will
4 choose to rely on inventor testimony in support of its arguments. (See Ex. 1, 77 Fed. Reg. 157
5 (August 14, 2012) at 48761.)

2. "Prosecution" As Defined In The Prosecution Bar Includes Sequenom's Proposed Involvement In The IPR

In negotiating the protective order in this case, the parties agreed that a prosecution bar was necessary to guard against the risk of inadvertent disclosure of their confidential information outside of this litigation. The parties adopted the provisions of the prosecution bar in the model protective order in this district regarding the scope of prohibited activities, and negotiated the subject matter to be covered by the bar. The prosecution bar provides that “[a]bsent written consent from the Producing Party, any attorney, patent agent, paralegal, expert, or consultant of, for, or representing the Receiving Party that gains access to ‘OUTSIDE ATTORNEYS’ EYES ONLY INFORMATION’ shall not be involved in the prosecution of . . . the patents asserted in this Litigation . . . before any foreign or domestic agency, including the United States Patent and Trademark Office (‘the Patent Office’).” (Dkt. 62 at ¶ 10.) “Prosecution” as defined in the prosecution bar is not limited to drafting or amending claims. It is much broader, in recognition of the fact that the risk of inadvertent disclosure of confidential information is not implicated solely when existing claims are amended or new claims are drafted. The prosecution bar defines “prosecution” to include “directly or indirectly drafting, amending, advising, or otherwise affecting the *scope or maintenance* of patent claims (for example, original prosecution, reissue and reexamination proceedings).” (*Id.* (emphasis added).) But “prosecution” as defined in the prosecution bar “does not include representing a party *challenging* a patent before a domestic or foreign agency (including, but not limited to, a reissue protest, ex parte reexamination or *inter partes* reexamination).” (*Id.* (emphasis added).)

27 The scope of activities prohibited by the prosecution bar in the model protective order, and
28 consequently by the prosecution bar in this case, was addressed in *Kelora Systems, LLC v. Target*

Kelora Corporation, C 11-02284 CW LB, 2011 WL 6000759 (N.D. Cal. Aug. 29, 2011). In *Kelora*, the parties disagreed on the provisions that should be included in the prosecution bar. The patent owner proposed changes to this district’s model protective order; the accused infringers resisted any changes to the model order. *Id.* at *1. The court found that the provisions of the model order should apply.

In particular, the parties disputed whether “prosecution” as used in the model order “includes distinguishing prior art or advising and/or consulting regarding the same with persons who may be involved in ‘prosecution’ as defined in the protective order.” *Id.* at *8. The patent owner argued that there was no threat of inadvertent disclosure of confidential information in distinguishing prior art, and barring litigation counsel from doing so would unfairly prejudice the patent owner’s ability to defend its patents with consistency. *Id.* The court disagreed, explaining that in *Deutsche Bank*, the Federal Circuit indicated that “investigating prior art relating to those inventions” likely constituted competitive decisionmaking. *Id.* (quoting *Deutsche Bank*, 605 F.3d at 1380). Accordingly, the court rejected the patent owner’s proposed “clarification” to exclude distinguishing prior art, and advising and/or consulting regarding that prior art, from the scope of “prosecution” activities prohibited by the model protective order. *Id.*

17 There is no dispute that the prosecution bar in this case applies to reexaminations. Indeed,
18 this district has recognized the risk of inadvertent disclosure of confidential information during
19 reexamination and has therefore included reexaminations within the scope of the prosecution bar
20 in the model protective order.²

21 ² Not only does Sequenom advocate that this Court ignore the actual language of the
22 mutually agreed-upon prosecution bar, but it also appears that Sequenom did not even bother to
23 read the prosecution bar. Sequenom argues that the prosecution bar should not prohibit its
24 litigation counsel from participating in IPR proceedings initiated by Ariosa, citing two cases that
25 involve reexamination rather than IPR. (Motion at 8:21-9:2.) These two cases are directly contrary
26 to the express provisions of the prosecution bar, which states: “to avoid any doubt, ‘prosecution’
27 as used in this paragraph does not include representing a party challenging a patent before a
28 domestic or foreign agency (including, but not limited to, a reissue protest, *ex parte* reexamination
or *inter partes* reexamination).” The prosecution bar thus specifically anticipates Ariosa’s filing a
petition for reexamination of the ’540 patent during litigation and allows Ariosa’s litigation
counsel that has had access to confidential information from Sequenom or Isis to participate in the
reexamination. This properly recognizes that the danger lies in the patent owner’s use of
confidential information about the alleged infringer’s products when defending its patents in front
of the PTO, but that there is no similar danger as a result of the alleged infringer’s exposure to
confidential information from the patent owner when challenging a patent. This reasoning applies

Other courts have also recognized that it is appropriate for reexaminations to be within the scope of a prosecution bar, even though claims may only be narrowed, because a patent owner may choose to rewrite claims in a manner informed by the alleged infringer's confidential information acquired through litigation. For example, in *Microunity Systems Engineering, Inc. v. Dell, Inc.*, No. 2-04-CV-120 (TJW), 2005 WL 6768251 (E.D. Tex. Aug. 17, 2005), the patent owner moved to "clarify" the protective order to allow its litigation counsel to take part in reexamination proceedings of the patents-in-suit "limited to providing insight and analysis of the scope and content of the relevant prior art of record." *Microunity Systems Engineering, Inc. v. Dell, Inc.*, No. 2-04-CV-120 (TJW), 2005 WL 2299440, at 3 (E.D. Tex. July 18, 2005). The court denied the motion, finding that the prosecution bar, which provided that individuals with access to confidential information "shall not prosecute or prepare any patent application" and "shall not have any substantive involvement in the prosecution of any applications filed, or claiming priority to any application filed" *id.* at 2, applied to reexaminations. *Microunity Sys.*, 2005 WL 6768251, at *1. The court found unpersuasive the patent owner's argument that the only benefit of having litigation counsel provide explanation and insight with regard to the prior art was in the form of efficiency and avoiding waste, since these tasks were comparable to the ones litigation counsel would perform during litigation and trial. *Microunity Sys.*, 2005 WL 2299440, at 4.

Similarly, in *Edwards Lifesciences AG v. Corevalve, Inc.*, No. 08-91-GMS, 2011 WL 10565589 (D. Del. Feb. 23, 2011), plaintiffs requested an order allowing trial counsel and its technical expert to participate in two patent reexaminations initiated by defendants. *Id.* at *1. The court denied the request, finding that "the risk of the use of confidential information and the harm that the defendants might suffer as a result far outweighs the potential harm to [plaintiffs] of enforcing the prosecution bar in the reexamination." *Id.*

Sequenom makes much of the fact that IPR is not one of the *non-exclusive examples* of PTO proceedings listed in the prosecution bar (even though IPR did not become available until September 16, 2012, about five months after the entry of the PO in this case). Of course, a non-

equally in the case of IPR, which is limited to the same validity challenges as is *inter partes* reexamination.

1 exclusive list is precisely that, non-exclusive. The non-exclusive examples include both pre- and
 2 post-grant proceedings before the PTO. IPR is a post-grant proceeding before the PTO that was
 3 expressly created as a replacement for *inter partes* reexamination, which is one of the non-
 4 exclusive examples listed in the prosecution bar. Whether participation in IPR is prohibited by the
 5 prosecution bar is not a close call. If Sequenom had any doubt as to whether participating in IPR
 6 was prohibited by the prosecution bar, it had ample opportunity to raise this concern during the PO
 7 negotiations. It did not.

8 Nor is it persuasive when Sequenom argues that “[w]hen a contract lists specific examples
 9 to illustrate a general statement, the general statement is construed to embrace only things similar
 10 in nature to those enumerated by the specific examples.” (Motion at 4:9-11, *see also* 13:1-14.)
 11 While it is true that *inter partes* reexamination and IPR are different procedures, they are similar
 12 with respect to all characteristics pertinent to the need for a prosecution bar. In both IPR and *inter*
 13 *partes* reexamination, the patent owner is responding to §§ 102 and 103 validity challenges based
 14 on patents and printed publications, trying to preserve the validity of the patent through argument
 15 and/or amendment. The risk of inadvertent disclosure that arises in both situations stems from the
 16 opportunity to distinguish the prior art in a way that preserves the patent owner’s infringement
 17 position, which is made possible by having access to the confidential information of the alleged
 18 infringer. That there are different procedures for IPR and *inter partes* reexamination, and that one
 19 is done by patent examiners and the other by the PTAB, is irrelevant for purposes of the
 20 prosecution bar.

21 Sequenom argues that “activities that are wholly unrelated to claim amendment” should
 22 not be included within the scope of the prosecution bar. (Motion at 18:18.) But the prosecution bar
 23 is not limited to activities related to amending claims. Instead, the prosecution bar prohibits
 24 “directly or indirectly drafting, amending, advising, or otherwise affecting ***the scope or***
 25 ***maintenance*** of patent claims”³ “before any foreign or domestic agency.” (Emphasis added.) IPR

26 ³ Sequenom now describes the provisions of the prosecution bar it voluntarily agreed to as
 27 “ambiguous.” (Motion at 11:22.) Sequenom, of course, never voiced any concern about ambiguity
 28 during the course of the negotiations. It is incredulous for Sequenom now to suggest that it agreed
 to a prosecution bar that it found to be ambiguous. Nor is Sequenom in any position to complain
 about the breadth of the prosecution bar to which it previously agreed. As the Court aptly observed

1 is a procedure for challenging the validity of an issued patent under §§ 102 and 103 before the
 2 PTO, a domestic agency, based on patents or printed publication. To survive IPR, the patent owner
 3 must rely on arguments and/or amendments to distinguish the claims of the patent under review
 4 from the prior art identified in the IPR. Arguments and amendments made to distinguish prior art
 5 necessarily affect the “scope” of the patent claims (if not directly then at least indirectly), as well
 6 as their “maintenance” in light of that prior art. Sequenom’s argument that Ariosa’s reading of the
 7 prosecution bar would “bar litigation counsel from participating in numerous activities in this
 8 litigation” (Motion at 12:10-11) ignores the stated purpose of the PO—to prevent the use of
 9 confidential information *outside of this litigation*. Furthermore, the prosecution bar is expressly
 10 limited to proceedings “before any foreign or domestic agency . . .” (Dkt. 62 at ¶ 10.) This Court
 11 is not a foreign or domestic agency.

12 All of the activities in which Sequenom’s litigation counsel seeks to participate are for the
 13 purpose of crafting arguments to distinguish the prior art to the ’540 patent:

- 14 • preparing Isis’s declarants for depositions
- 15 • taking the depositions of Ariosa’s declarants
- 16 • reviewing the inventor documents relating to conception and reduction to practice
- 17 • discussing discovery in, and the status of, the IPR with Sequenom, Isis, the
 inventors of the ’540 patent, and Isis’s post-grant counsel
- 18 • discussing responses to the arguments advanced by Ariosa regarding the validity of
 the ’540 patent in the IPR and litigation
- 19 • drafting Isis’s patent owner’s response to the first petition for IPR and Isis’s patent
 owner’s preliminary response to the second petition for IPR
- 20 • drafting declarations in support of Isis’s patent owner’s response

21
 22
 23
 24
 25
 26 in *Avago Technologies Fiber IP (Singapore) Pte. Ltd. v. IPtronics, Inc.*, C 10-CV-02863 (EJD)
 27 (PSG) (N.D. Cal. Jan. 2, 2013) (Dkt. 349) (Ex. 6.), when plaintiff sought to modify the
 28 prosecution bar in the protective order on the ground that it was overbroad, “[i]f [plaintiff] is
 unhappy with the consequences of the language it agreed upon, those consequences are of its own
 making, and there is no reason to alter it at this late stage.” *Id.* at 2.

1 There can be no dispute that these activities have any other aim than finding a way to overcome
 2 the prior art that Ariosa has submitted to the PTO, whether by argument or claim amendment. The
 3 Federal Circuit has unambiguously placed this kind of activity in the “competitive
 4 decisionmaking” category that should not be exempt from a prosecution bar. The way prior art is
 5 distinguished inevitably influences and controls the way claims are interpreted or amended. This is
 6 squarely within the prosecution bar’s prohibition against “directly or indirectly drafting,
 7 amending, advising, or otherwise affecting the scope or maintenance of patent claims.”

8 Even if Isis does not amend its claims, Isis’s arguments during the IPR and declarations
 9 submitted to support those arguments can alter the scope of its claims and the proper constructions
 10 of its claim language. *See e.g., Am. Piledriving Equip., Inc. v. Geoquip, Inc.*, 637 F.3d 1324, 1336
 11 (Fed. Cir. 2011) (finding that the patent owner disclaimed claim scope based on arguments it made
 12 during reexamination); *CIAS, Inc. v. Alliance Gaming Corp.*, 504 F.3d 1356, 1362 (Fed. Cir.
 13 2007) (holding that argument to the PTO on reexamination constituted disavowal of claim scope
 14 even though “no amendments were made”); *Bayer A.G. v. Elan Pharm. Research Corp.*, 212 F.3d
 15 1241, 1253 (Fed. Cir. 2000) (finding that statements Bayer made and declarations it submitted to
 16 the PTO resulted in surrender of subject matter). Sequenom tacitly acknowledges this when
 17 bringing Ariosa’s claim construction positions in the IPR to the Court’s attention in a footnote in
 18 its brief. Sequenom misleadingly states that “[a]ttacking the validity of the ’540 Patent in two
 19 different forums—litigation and Review—enabled Ariosa to advocate for wholly inconsistent
 20 claim constructions in the different forums.” (Motion at n.2.) There is nothing inconsistent about
 21 the positions Ariosa has taken. The procedure governing IPR requires that a claim “be given its
 22 broadest reasonable construction in light of the specification of the patent in which it appears.” 37
 23 C.F.R. § 42.100(b). Ariosa’s petition clearly states that the claim constructions it is proposing are
 24 those advanced *by Sequenom in this litigation*. To avoid any doubt, Ariosa expressly stated that
 25 its “position regarding the scope of the claims under their broadest reasonable interpretation is not
 26 to be taken as stating any position regarding the appropriate scope to be given the claims in a court
 27 or other adjudicative body under the different claim interpretation standards which apply in such
 28 proceedings.” (Ex. 7 at 21.)

1 Sequenom attempts to minimize the risk that its participation in the IPR poses to Ariosa by
 2 asserting that the tasks that Sequenom's litigation counsel seek to perform in the IPR "are nearly
 3 identical to the tasks they would perform in this litigation," and that they "have already performed
 4 essentially the same tasks in this litigation without violating the Protective Order." (Motion at
 5 1:15-16, 2:2-3, *see also* 12:3-27.) Sequenom misses the point entirely. The purpose of the PO in
 6 this case, as expressly stated on the first page of the document, is to prevent the use of the parties'
 7 confidential information *outside of this litigation*. (Dkt. 62 at 1.) It is thus irrelevant that
 8 Sequenom's litigation counsel can perform tasks in this litigation that it cannot perform in the IPR.
 9 It also misses the entire point of a prosecution bar—to prevent litigation counsel who has been
 10 exposed to the accused infringer's confidential information from participating in PTO proceedings
 11 regarding the patent-in-suit.

12 Sequenom is also wrong to suggest that this is a matter of trust. (Motion at 2:12-14.) As the
 13 Federal Circuit recognized, "it is very difficult for the human mind to compartmentalize and
 14 selectively suppress information once learned, no matter how well-intentioned the effort may be to
 15 do so." *Deutsche Bank*, 605 F.3d at 1378 (quoting *FTC v. Exxon Corp.*, 636 F.2d 1336, 1350
 16 (D.C. Cir. 1980)). There is a high risk of inadvertent disclosure of confidential information when
 17 litigation counsel participates in proceedings before the PTO. This is precisely why prosecution
 18 bars are nearly ubiquitous in patent litigation. Sequenom's suggestion that Ariosa has an "ulterior
 19 motive" is an ill-tempered accusation. (Motion at 2:15.) Ariosa is asking for nothing more than
 20 compliance with the provisions of a prosecution bar voluntarily agreed to by Sequenom—and that
 21 governs all patent cases in this district unless an alternative protective order is entered.

22 **3. The PTAB Decisions Cited By Sequenom Are Inapposite**

23 Sequenom once again relies on *Avaya Inc. v. Network-1 Security Solutions, Inc.*, IPR2013-
 24 00071, Paper 15 (PTAB Feb. 22, 2013), to support its contention that IPR is not included within
 25 the scope of the prosecution bar in this case. There were two prosecution bars at issue in *Avaya*:
 26 one in a pending litigation, and the second in a litigation that had settled more than two years prior
 27 to the PTAB decision. The pending litigation in *Avaya* allowed litigation counsel with access to
 28 confidential information to "participate in any reexamination proceeding of the patent at issue in

1 this Action, except that outside counsel for [Network-1] may not act as counsel of record in any
 2 reexamination proceeding and may not reveal the contents of any ‘CONFIDENTIAL’ or
 3 ‘HIGHLY CONFIDENTIAL’ information to reexamination patent counsel or agents.” *Id.* at 4.
 4 This prosecution bar thus bears little resemblance to the prosecution bar at issue in this case, and
 5 the PTAB’s analysis of it and the arguments made by the parties is not instructive. As explained
 6 earlier, the risks posed by *inter partes* reexamination are the same as those posed by IPR.
 7 Accordingly, it would be difficult to argue that a prosecution bar that allows participation in
 8 reexamination proceedings would prohibit participation in IPR. Furthermore, the protective order
 9 in the pending litigation in *Avaya* did not prohibit “directly or indirectly drafting, amending,
 10 advising, or otherwise affecting the scope or maintenance of patent claims.” Had it done so, the
 11 PTAB would not have come to the same conclusion.

12 The prosecution bar in the settled litigation in *Avaya* was no longer in effect—its duration
 13 was only “two (2) years from disclosure of the technical information or one (1) year after
 14 conclusion of the litigation (including any appeals), whichever period is longer.” (Ex. 8 at ¶ 12,
 15 Ex. 9.) Furthermore, unlike the prosecution bar at issue in this case, the prosecution bar in the
 16 settled litigation did not define prosecution as “directly or indirectly drafting, amending, advising,
 17 or otherwise affecting the scope or maintenance of patent claims” and it prohibited litigation
 18 counsel from participating “in any aspect of any reexamination proceedings’ involving the [patent
 19 in IPR] ***other than forwarding prior art references produced in the litigation.***” *Avaya*, IPR2013-
 20 00071 at 6 (emphasis added). Consequently, the “reasoning” of the PTAB—“[f]or similar reasons
 21 as those explained above with respect to the pending litigation, we disagree that good cause to
 22 recognize Mr. Dovel *pro hac vice* is lacking” *id.* at 6-7—provides no guidance with respect to the
 23 prosecution bar at issue in this case.

24 Sequenom also relies on *ScentAir Technologies, Inc. v. Prolitec, Inc.*, IPR2013-00179,
 25 Paper 9 (PTAB April 16, 2013). Once again, its reliance is misplaced. The prosecution bar at issue
 26 in the case was much narrower than the prosecution bar at issue here. The prosecution bar
 27 provided that persons with access to confidential material “shall not . . . draft, supervise, assist, or
 28 advise in drafting or amending claims or patent specifications . . .” (Ex. 10 at ¶ 23.) Moreover,

1 the PTAB's decision was influenced by the fact that the parties had already sought expedited relief
 2 from the district court. The PTAB noted that the patent owner had already filed an expedited
 3 motion before the district court for clarification of the protective order and that a decision was
 4 expected within three weeks to one month. The PTAB also noted that the alleged infringer had
 5 represented that it would be filing a motion within a day seeking relief from the district court.
 6 *ScentAir*, IPR2013-00179 at 3-4. The PTAB further noted that “[e]ven if the normal time period
 7 for a decision on an expedited motion is between three weeks to one month, if the matter is of
 8 sufficient importance as ScentAir suggests, ScentAir is not restricted from seeking a more
 9 expedited decision from the U.S. District Court.” *Id.* at 4-5. The PTAB instructed the alleged
 10 infringer to renew its request to bar litigation counsel from participating in the IPR if the district
 11 court indicated that the protective order prohibited such participation. *Id.* at 5.

B. Sequenom Has Not Carried Its Burden For Modifying The Protective Order

13 In determining whether modification of a protective order is appropriate, courts consider
 14 the following factors: “(1) the nature of the protective order; (2) the foreseeability, at the time of
 15 issuance of the order, of the modification requested; (3) the parties’ reliance on the order; and
 16 most significantly (4) whether good cause exists for the modification.” *Chicago Mercantile Exch.,*
 17 *Inc. v. Tech. Research Group, LLC*, 276 F.R.D. 237, 239 (N.D. Ill. 2011) (quoting *Murata Mfg.*
 18 *Co. v. Bel Fuse, Inc.*, 234 F.R.D. 175, 179 (N.D. Ill. 2006)). Sequenom has the burden of showing
 19 good cause for modifying the protective order. *Chicago Mercantile Exch.*, 276 F.R.D. at 239.
 20 “Where, as here, a protective order is agreed to by the parties before its presentation to the court,
 21 there is a higher burden on the movant to justify the modification of the order.” *Kyles v. J.K.*
 22 *Guardian Sec. Servs.*, 97 C 8311, 2006 WL 2349238, at *4 (N.D. Ill. Aug. 15, 2006).

23 In *Chicago Mercantile Exchange, Inc. v. Technology Research Group, LLC*, the
 24 prosecution bar prohibited any individual who had received confidential information from
 25 prosecuting or preparing any patent or patent application related to certain areas of technology in
 26 “any and all proceedings, including but not limited to reissue or reexamination proceedings, before
 27 the United States Patent and Trademark Office or any other patent office worldwide.” *Chicago*
 28 *Mercantile Exch.*, 276 F.R.D. at 239. The patent owner moved to amend the protective order to

allow litigation counsel who had access to confidential material to participate in a reexamination of the patent at issue initiated by the alleged infringers. *Id.* The court denied the motion based on the four-factor test. First, the provision at issue was negotiated, and thus the nature of the protective order weighed against granting the modification. Second, the court found that the alleged infringers' decision to initiate reexamination was foreseeable given the "increased use of reexamination as an alternate or additional venue to challenge patent validity where district court litigation has been initiated . . ." *Id.* at 240 (internal quotation marks and citation omitted). Third, the court found that the alleged infringers and third parties had relied on the protective order in conducting discovery. Fourth, the court found that the patent owner's need to hire another set of lawyers to represent it before the PTO did not constitute good cause for the modification. Finally, in addition to the foregoing, the court found that the patent owner failed to establish the absence of an unacceptable risk of inadvertent disclosure of confidential information.

Applying the four factor test here leads to the same conclusion: modification of the prosecution bar is not warranted.

1. The Nature Of The Protective Order Favors Ariosa

Sequenom and Ariosa negotiated the terms of the PO for two weeks. The parties reached agreement on all term and submitted a stipulation to this Court, which entered the PO on April 13, 2012. Accordingly, this factors weighs against modification of the PO.

2. Ariosa's Decision To Petition For IPR Was Foreseeable

Sequenom contends that it "did not anticipate that Ariosa would petition for Review, or that they might be involved in proceedings before the Board that would involve depositions of their inventors, prior art witnesses, and experts." (Motion at 11:3-5.) This argument is not credible. Sequenom's counsel are experienced patent litigators. They were admittedly aware, during the negotiation of the IPR, that IPR would replace *inter partes* reexamination. As experienced patent litigators, they were no doubt aware it is commonplace for an accused infringer to initiate reexamination proceedings, and that the accused infringer typically bases the validity challenge in the reexamination on prior art references at issue in the litigation. The prosecution bar here recognizes this very fact—it anticipates that Ariosa might challenge the '540 patent in an *inter*

1 *partes* reexamination, and specifically exempts the activities of *Ariosa's counsel* from the bar. It
2 was foreseeable that IPR, which is designed to make *inter partes* reexamination more efficient,
3 would be used in a similar fashion once it became available. Indeed, one would predict that IPR
4 would be even more prevalent than *inter partes* reexamination due to its expedited nature.
5 Accordingly, this factor also weighs against modification of the PO.

3. Ariosha Relied On The Prosecution Bar In Producing Its Confidential Technical Information To Sequenom

Ariosa has already produced highly sensitive technical information about its Harmony Test to Sequenom, relying on the provisions of the PO, including the prosecution bar, to prevent the use of its confidential information outside of this litigation. Ariosa would not have produced this information to Sequenom without the safeguards provided by the prosecution bar. Sequenom gave no indication during the PO negotiations that it had any concern about the breadth of the prosecution bar or that it did not understand the scope of protection afforded by its provisions. Now that it has obtained Ariosa's confidential technical information by making promises it no longer finds advantageous to keep, Sequenom claims that the prosecution bar it agreed to is ambiguous. This factor too weighs against modifying the PO.

4. Sequenom Has Not Shown Good Cause For Modifying The Protective Order

19 Sequenom must demonstrate actual prejudice in order to satisfy the “good cause”
20 requirement necessary to modify the PO. *55 Brake, LLC v. Audi of Am.*, 1:CV 08-177-BLW, 2011
21 WL 2747523, at *1 (D. Idaho July 13, 2011); *see also MasterObjects, Inc. v. Google Inc.*, C 11-
22 01054 LB, 2012 WL 2958227, at *1 (N.D. Cal. July 19, 2012) (“Generally, good cause requires
23 the moving party to show that specific prejudice or harm will result if the protective order is not
24 issued.”). Sequenom argues that it will be substantially harmed if it is restricted in its choice of
25 counsel.⁴ (Motion at 21:26-23:23.) In balancing the risk of inadvertent disclosure of confidential

⁴ Sequenom relies heavily on *Xerox Corporation v. Google, Inc.*, 270 F.R.D. 182 (D. Del. 2010), to support its contention that it will be substantially harmed if litigation counsel is not allowed to participate in the IPR. In *Xerox*, the court held that litigation counsel that had access to confidential information could advise its client regarding amending claims on reexamination. Sequenom does not dispute that the prosecution bar at issue in this case—to which it agreed—

1 information against the potential harm to the opposing party from restricting its choice of counsel
 2 as a result of a prosecution bar, “the court should consider such things as the extent and duration
 3 of counsel’s past history in representing the client before the PTO, the degree of the client’s
 4 reliance and dependence on that past history, and the potential difficulty the client might face if
 5 forced to rely on other counsel for the pending litigation or engage other counsel to represent it
 6 before the PTO.” *Deutsche Bank*, 605 F.3d at 1381.

7 *55 Brake, LLC v. Audi of America* is instructive. In *55 Brake*, the protective order barred
 8 involvement in “Patent Prosecution” for those having access to confidential material. *55 Brake*,
 9 2011 WL 2747523, at *1. “Patent Prosecution” was defined as “preparing, drafting, reviewing,
 10 filing, responding to office actions, signing oaths or declarations, or prosecuting patent
 11 applications or patents, or assisting in any of those activities with respect to . . . (c) any . . . re-
 12 examinations of any of the patents asserted in the current litigation.” *Id.* Plaintiff moved to amend
 13 the protective order to allow its litigation counsel to assist with prior art issues during a
 14 reexamination initiated by one of the defendants, pledging that it would not assist in any work
 15 leading to amendment of the claims. *Id.* The court found that the prosecution bar was broad, and
 16 could not be read to protect only against the use of confidential information to amend the claims.
 17 *Id.* at *2. Plaintiff argued that it would be more efficient for litigation counsel to participate in the
 18 reexamination because they were much more knowledgeable about prior art issues than its
 19 prosecution counsel. *Id.* at *1. The court rejected this argument, noting that “inefficiency in legal
 20 representation does not amount to ‘actual prejudice.’” *Id.* at *2.

21 Sequenom represents that Sterne Kessler, Isis’s prosecution counsel in the IPR, was
 22

23 prohibits litigation counsel from advising Isis regarding amending claims on reexamination.
 24 Unlike here, *Xerox* did not involve a request to allow litigation counsel to undertake activities in a
 25 PTO proceeding that were already covered by an agreed-to prosecution bar. In agreeing to the
 26 prosecution bar, Sequenom has already stipulated to a different outcome than that adopted in
 27 *Xerox*. Indeed Sequenom has thus impliedly acknowledged that any potential harm from being
 28 denied right to counsel of its choice as a result of the prosecution bar is outweighed by the risk of
 inadvertent disclosure of confidential information. Moreover, this district has also recognized that
 the balance of interests weighs in favor of including reexamination in the prosecution bar in the
 model protective order. Finally, *Edwards Lifesciences AG v. Corevalve, Inc.*, No. 08-91-GMS,
 2011 WL 10565589 (D. Del. Feb. 23, 2011), another more recent case from the District of
 Delaware, reached the opposite conclusion to *Xerox*.

1 retained by Isis at least six months ago. (Motion at 2:23-24.) It contends that “Sterne Kessler does
 2 not have the same depth of knowledge and familiarity as litigation counsel regarding the specific
 3 patent, the prior art at issue in this case, or the relevant witnesses,” and will “be hampered in its
 4 ability to gain the same level of knowledge and familiarity” due to “the expedited nature of the
 5 Review proceedings.” (Motion at 2:25-3:1.) Sequenom’s litigation counsel’s purported
 6 “substantial familiarity and experience with the subject matter disclosed in the ’540 Patent and the
 7 prior art” (Motion at 23:2-3) is not enough to justify modifying the prosecution bar to allow its
 8 participation in the IPR after being exposed to Ariosa’s confidential technical information.
 9 Nowhere in its brief does Sequenom suggest that Sterne Kessler will not be able to competently
 10 represent Isis in the IPR. There is a limited universe of prior art at issue in the IPR, and Sterne
 11 Kessler has had more than six months to analyze this prior art. Isis’s Preliminary Patent Owner
 12 Response to the petition for IPR, which was submitted by Sterne Kessler on December 31, 2012,
 13 over four months ago, demonstrates that Sterne Kessler already had ample opportunity as of that
 14 date to familiarize itself with the subject matter of the IPR and analyze the prior art at issue. (Ex.
 15 11.)

16 Sequenom’s litigation counsel has had no previous involvement with patent prosecution
 17 activities relating to the ’540 patent. The original prosecution of the ’540 patent was handled by
 18 Volpe and Koenig, P.C. (“Volpe”). The prosecution of the continuation application to the ’540
 19 patent was conducted in part by Volpe and in part by Cozen O’Connor. Volpe appears to have
 20 represented Isis before the PTO for at least four years. (Exs. 13, 14.)

21 Moreover, Sequenom candidly admits that “Kaye Scholer partner Michael Malecek,
 22 Sequenom’s lead litigation attorney [who has moved for expedited admission *pro hac vice* in the
 23 IPR], is not and has never been Sequenom’s or Isis’ prosecution counsel. Indeed, he is not a
 24 registered patent attorney. Further, no attorneys at Kaye Scholer perform patent prosecution
 25 services.” (Motion at 18:14-16.) Accordingly, this is not a situation where Isis is being deprived of
 26 representation by its long trusted counsel or by someone with unique experience in patent
 27 prosecution matters. Moreover, it is inconceivable that Isis—the technology transfer arm of the
 28 University of Oxford—would not have access to prosecution counsel capable of adequately

1 responding to the IPR without the assistance of its licensee's litigation counsel. Thus it is difficult
 2 to understand how Sequenom or Isis would be harmed if the prosecution bar is enforced against
 3 Sequenom's litigation counsel.

4 And, in fact, Isis has hired capable counsel, Sterne Kessler, to handle the IPR.
 5 Representing clients in IPR proceedings is one of the services advertised by Sterne Kessler, Isis's
 6 prosecution counsel in the IPR, on its website, which states that Sterne Kessler is representing or
 7 has represented clients in thirty IPR proceedings since the procedure first became available on
 8 September 16, 2012. (Ex. 12.) Sterne Kessler's website also states that it has represented clients in
 9 over 400 reexaminations, which, as explained earlier, involve the same analyses of patents and
 10 printed publications as does IPR. (*Id.*) Sequenom does not, and cannot, demonstrate that Sterne
 11 Kessler is unable to competently represent Isis in IPR unless aided by Sequenom's litigation
 12 counsel. Although Sequenom points to a vague and unquantifiable "deep understanding of *the*
 13 *issues*" that its litigation counsel possesses and that Isis's prosecution counsel purportedly lacks,
 14 (Motion at 23:18 (emphasis added)), this nebulous and highly speculative alleged "harm" is
 15 simply not enough to show actual prejudice to Sequenom as a result of the prosecution bar.
 16 Accordingly, Sequenom's requested modification of the prosecution bar should be denied.

17 **IV. CONCLUSION**

18 The prosecution bar in this case, which Sequenom voluntarily agreed to, prohibits
 19 Sequenom's litigation counsel from participating in the IPR of the '540 patent on behalf of Isis in
 20 the manner outlined in Sequenom's brief. Ariosa relied on the protections of the prosecution bar in
 21 producing its most confidential technical information to Sequenom. Sequenom cannot now alter
 22 the terms of its agreement without showing good cause. It has failed to do so. Sterne Kessler has
 23 competently represented Isis in the IPR for over six months without (to our knowledge) any
 24 assistance from Sequenom's litigation counsel. There is no evidence that Sterne Kessler has been
 25 handicapped by the prosecution bar. In contrast, if Sequenom's litigation counsel is allowed to
 26 participate in the IPR, there is a high risk that Ariosa's confidential information will be used,
 27 perhaps inadvertently, to stake out claim positions intended to overcome prior art but still capture
 28 Ariosa's Harmony Test. Accordingly, Sequenom's motion should be denied.

1
2 Dated: May 15, 2013

Respectfully submitted,

3 IRELL & MANELLA LLP
4 David I. Gindler
5 Andrei Iancu
6 Amir Naini
7 Lina F. Somaït

8 By: /s/ Lina F. Somaït

9
10
11 Lina F. Somaït
12 Attorneys for Plaintiff and Counterclaim Defendant
13 Ariosa Diagnostics, Inc.
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28